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2008 MAY 19 PM 1:31

C&I TENNCARE

Unison

May 15, 2008

John Mattingly
Department of Commerce and Insurance
TennCare Division, Suite 750
500 James Robertson Parkway
Nashville, TN 37243-1135.

RE: Unison Health Plan of Tennessee, Inc., NAIC #11139

Dear Mr. Mattingly:

Enclosed are the following documents for the period ending March 31, 2008:

- Statutory Statement (2 Copies)
- Exhibit 2 – Accident and Health Premiums Due and Unpaid (2 Copies)
- Exhibit 3 – Health Care Receivables (2 Copies)
- Exhibit 5 – Amounts Due from Parent, Subsidiaries and Affiliates (2 Copies)
- Report 2A TennCare Operating Statement (2 Copies)
- Medical Services Monitoring Report with reconciliation to the NAIC with Actuarial Certification (2 Copies)
- TennCare Filings Checklist

We have recorded the administrative fees paid to affiliates in Other Administrative Fees.

If you have any questions, or need additional information, please don't hesitate to contact me at (412) 349-6198.

Sincerely,



John S. Dugan
Manager of Accounting and Regulatory Reporting

Enclosures:

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QUARTERLY STATEMENT

AS OF March 31, 2008

C&I TENNCARE

OF THE CONDITION AND AFFAIRS OF THE

Unison Health Plan of Tennessee, Inc.

| | | | | | | |
|---------------------------------------|---|------------------------|--|------------|--|------------|
| NAIC Group Code | 2718 (Current Period) | 2718 (Prior Period) | NAIC Company Code | 11139 | Employer's ID Number | 62-1839257 |
| Organized under the Laws of | Tennessee | | State of Domicile or Port of Entry | Tennessee | | |
| Country of Domicile | United States of America | | | | | |
| Licensed as business type: | Life, Accident & Health[] Dental Service Corporation[] Other[] | | Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[] | | Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X] | |
| Incorporated/Organized | 08/09/2000 | | Commenced Business | 07/01/2001 | | |
| Statutory Home Office | 1000 Ridgeway Loop Road, Suite 203 (Street and Number) | | Memphis, TN 38120 (City, or Town, State and Zip Code) | | | |
| Main Administrative Office | | | Unison Plaza, 1001 Brinton Rd. (Street and Number) | | | |
| | Pittsburgh, PA 15221 (City or Town, State and Zip Code) | | (412)858-4000 (Area Code) (Telephone Number) | | | |
| Mail Address | Unison Plaza, 1001 Brinton Rd. (Street and Number or P.O. Box) | | Pittsburgh, PA 15221 (City, or Town, State and Zip Code) | | | |
| Primary Location of Books and Records | | | Unison Plaza, 1001 Brinton Rd. (Street and Number) | | | |
| | Pittsburgh, PA 15221 (City, or Town, State and Zip Code) | | (412)858-4000 (Area Code) (Telephone Number) | | | |
| Internet Website Address | www.unisonhealthplan.com | | | | | |
| Statutory Statement Contact | Leslie Ann Gelpi (Name) | | (412)858-4145 (Area Code)(Telephone Number)(Extension) | | | |
| | Leslie.Gelpi@unisonhealthplan.com (E-Mail Address) | | (412)457-1414 (Fax Number) | | | |

OFFICERS

| Name | Title |
|---------------------------|----------------------------------|
| John Paul Blank M.D. | Chief Executive Officer |
| Karen Marie Heim | President |
| David William Thomas | Secretary |
| Leslie Ann Gelpi | Treasurer |
| Michael Aloysius Orians | Vice President & Asst. Treasurer |
| William Howard Lawson Jr. | Vice President & Asst. Secretary |
| John Hull Dobbs Jr. | Vice President |

OTHERS

DIRECTORS OR TRUSTEES

John Paul Blank M.D.
William Howard Lawson Jr.

John Hull Dobbs Jr.

State of Pennsylvania
County of Allegheny ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in the reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Karen M. Heim
(Signature)
Karen Marie Heim
(Printed Name)
1.
President
(Title)

David W. Thomas
(Signature)
David W. Thomas
(Printed Name)
2.
Secretary
(Title)

Leslie Ann Gelpi
(Signature)
Leslie Ann Gelpi
(Printed Name)
3.
Treasurer
(Title)

Subscribed and sworn to before me this
13th day of May, 2008
Sharon E. Berger
(Notary Public Signature)

- a. Is this an original filing?
b. If no, 1. State the amendment number
2. Date filed
3. Number of pages attached

Yes[X] No[]

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Sharon E. Berger, Notary Public
Braddock Hills Boro, Allegheny County
My Commission Expires Nov. 9, 2008
Member, Pennsylvania Association of Notaries

ASSETS

| | | Current Statement Date | | | 4 December 31, Prior Year Net Admitted Assets |
|-----------------------------|--|------------------------|-----------------------|---|--|
| | | 1 | 2 | 3 | |
| | | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | |
| 1. | Bonds | 5,478,295 | | 5,478,295 | 4,581,890 |
| 2. | Stocks: | | | | |
| 2.1 | Preferred stocks | | | | |
| 2.2 | Common stocks | | | | |
| 3. | Mortgage loans on real estate: | | | | |
| 3.1 | First liens | | | | |
| 3.2 | Other than first liens | | | | |
| 4. | Real estate: | | | | |
| 4.1 | Properties occupied by the company (less \$.....0 encumbrances) | | | | |
| 4.2 | Properties held for the production of income (less \$.....0 encumbrances) | | | | |
| 4.3 | Properties held for sale (less \$.....0 encumbrances) | | | | |
| 5. | Cash (\$.....9,097,432), cash equivalents (\$.....0) and short-term investments (\$.....0) | 9,097,432 | | 9,097,432 | 6,051,645 |
| 6. | Contract loans (including \$.....0 premium notes) | | | | |
| 7. | Other invested assets | | | | |
| 8. | Receivables for securities | | | | |
| 9. | Aggregate write-ins for invested assets | | | | |
| 10. | Subtotals, cash and invested assets (Lines 1 to 9) | 14,575,727 | | 14,575,727 | 10,633,535 |
| 11. | Title plants less \$.....0 charged off (for Title insurers only) | | | | |
| 12. | Investment income due and accrued | 83,683 | | 83,683 | 70,306 |
| 13. | Premiums and considerations: | | | | |
| 13.1 | Uncollected premiums and agents' balances in the course of collection | 551,182 | | 551,182 | 1,051,795 |
| 13.2 | Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) | | | | |
| 13.3 | Accrued retrospective premiums | 1,068 | | 1,068 | |
| 14. | Reinsurance: | | | | |
| 14.1 | Amounts recoverable from reinsurers | | | | |
| 14.2 | Funds held by or deposited with reinsured companies | | | | |
| 14.3 | Other amounts receivable under reinsurance contracts | | | | |
| 15. | Amounts receivable relating to uninsured plans | 192,380 | | 192,380 | 285,121 |
| 16.1 | Current federal and foreign income tax recoverable and interest thereon | | | | |
| 16.2 | Net deferred tax asset | | | | |
| 17. | Guaranty funds receivable or on deposit | | | | |
| 18. | Electronic data processing equipment and software | | | | |
| 19. | Furniture and equipment, including health care delivery assets (\$.....0) | | | | |
| 20. | Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 21. | Receivables from parent, subsidiaries and affiliates | | | | |
| 22. | Health care (\$.....12,531) and other amounts receivable | 28,669 | 16,138 | 12,531 | 5,784 |
| 23. | Aggregate write-ins for other than invested assets | | | | |
| 24. | Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) | 15,432,709 | 16,138 | 15,416,571 | 12,046,541 |
| 25. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 26. | Total (Lines 24 and 25) | 15,432,709 | 16,138 | 15,416,571 | 12,046,541 |
| DETAILS OF WRITE-INS | | | | | |
| 0901. | ..... |  |  |  |  |
| 0902. | ..... |  |  |  |  |
| 0903. | ..... |  |  |  |  |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | | | | |
| 0999. | TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) | | | | |
| 2301. | ..... |  |  |  |  |
| 2302. | ..... |  |  |  |  |
| 2303. | ..... |  |  |  |  |
| 2398. | Summary of remaining write-ins for Line 23 from overflow page | | | | |
| 2399. | TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) | | | | |

LIABILITIES, CAPITAL AND SURPLUS

| | | Current Period | | | Prior Year |
|-----------------------------|---|----------------|----------------|------------|------------|
| | | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. | Claims unpaid (less \$.....0 reinsurance ceded) | 3,277,205 | | 3,277,205 | 2,841,820 |
| 2. | Accrued medical incentive pool and bonus amounts | | | | |
| 3. | Unpaid claims adjustment expenses | 947,134 | | 947,134 | 723,464 |
| 4. | Aggregate health policy reserves | 266,206 | | 266,206 | 162,070 |
| 5. | Aggregate life policy reserves | | | | |
| 6. | Property/casualty unearned premium reserve | | | | |
| 7. | Aggregate health claim reserves | | | | |
| 8. | Premiums received in advance | 534 | | 534 | |
| 9. | General expenses due or accrued | 104,040 | | 104,040 | 86,458 |
| 10.1 | Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) | | | | |
| 10.2 | Net deferred tax liability | | | | |
| 11. | Ceded reinsurance premiums payable | | | | |
| 12. | Amounts withheld or retained for the account of others | | | | |
| 13. | Remittances and items not allocated | | | | |
| 14. | Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) | | | | |
| 15. | Amounts due to parent, subsidiaries and affiliates | 1,404,133 | | 1,404,133 | 871,715 |
| 16. | Payable for securities | 896,400 | | 896,400 | |
| 17. | Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) | | | | |
| 18. | Reinsurance in unauthorized companies | | | | |
| 19. | Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 20. | Liability for amounts held under uninsured plans | 890,105 | | 890,105 | 532,515 |
| 21. | Aggregate write-ins for other liabilities (including \$.....0 current) | | | | |
| 22. | Total liabilities (Lines 1 to 21) | 7,785,757 | | 7,785,757 | 5,218,042 |
| 23. | Aggregate write-ins for special surplus funds | X X X | X X X | | |
| 24. | Common capital stock | X X X | X X X | 100 | 100 |
| 25. | Preferred capital stock | X X X | X X X | | |
| 26. | Gross paid in and contributed surplus | X X X | X X X | 2,989,400 | 2,989,400 |
| 27. | Surplus notes | X X X | X X X | | |
| 28. | Aggregate write-ins for other than special surplus funds | X X X | X X X | | |
| 29. | Unassigned funds (surplus) | X X X | X X X | 4,641,314 | 3,838,999 |
| 30. | Less treasury stock, at cost: | | | | |
| 30.1 |0 shares common (value included in Line 24 \$.....0) | X X X | X X X | | |
| 30.2 |0 shares preferred (value included in Line 25 \$.....0) | X X X | X X X | | |
| 31. | Total capital and surplus (Lines 23 to 29 minus Line 30) | X X X | X X X | 7,630,814 | 6,828,499 |
| 32. | Total Liabilities, capital and surplus (Lines 22 and 31) | X X X | X X X | 15,416,571 | 12,046,541 |
| DETAILS OF WRITE-INS | | | | | |
| 2101. | ..... |  |  |  |  |
| 2102. | ..... |  |  |  |  |
| 2103. | ..... |  |  |  |  |
| 2198. | Summary of remaining write-ins for Line 21 from overflow page | | | | |
| 2199. | TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above) | | | | |
| 2301. | ..... | X X X | X X X | | |
| 2302. | ..... | X X X | X X X | | |
| 2303. | ..... | X X X | X X X | | |
| 2398. | Summary of remaining write-ins for Line 23 from overflow page | X X X | X X X | | |
| 2399. | TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) | X X X | X X X | | |
| 2801. | ..... | X X X | X X X | | |
| 2802. | ..... | X X X | X X X | | |
| 2803. | ..... | X X X | X X X | | |
| 2898. | Summary of remaining write-ins for Line 28 from overflow page | X X X | X X X | | |
| 2899. | TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above) | X X X | X X X | | |

STATEMENT OF REVENUE AND EXPENSES

| | Current Year To Date | | Prior Year To Date | Prior Year Ended December 31 |
|---|----------------------|-----------|--------------------|------------------------------|
| | 1 | 2 | 3 | 4 |
| | Uncovered | Total | Total | Total |
| 1. Member Months | X X X | 5,223 | 1,122 | 8,752 |
| 2. Net premium income (including \$.....0 non-health premium income) | X X X | 4,403,041 | 712,123 | 7,113,723 |
| 3. Change in unearned premium reserves and reserves for rate credits | X X X | (104,136) | | |
| 4. Fee-for-service (net of \$.....0 medical expenses) | X X X | | | |
| 5. Risk revenue | X X X | | | |
| 6. Aggregate write-ins for other health care related revenues | X X X | | | |
| 7. Aggregate write-ins for other non-health revenues | X X X | | | |
| 8. Total revenues (Lines 2 to 7) | X X X | 4,298,905 | 712,123 | 7,113,723 |
| Hospital and Medical: | | | | |
| 9. Hospital/medical benefits | | 2,383,458 | 435,046 | 3,375,339 |
| 10. Other professional services | | 466,145 | 136,854 | 972,290 |
| 11. Outside referrals | | | | |
| 12. Emergency room and out-of-area | | 81,689 | 15,482 | 123,327 |
| 13. Prescription drugs | | 372,742 | 20,348 | 513,051 |
| 14. Aggregate write-ins for other hospital and medical | | (806,137) | 20 | 16,876 |
| 15. Incentive pool, withhold adjustments and bonus amounts | | | | |
| 16. Subtotal (Lines 9 to 15) | | 2,497,897 | 607,750 | 5,000,883 |
| Less: | | | | |
| 17. Net reinsurance recoveries | | | | |
| 18. Total hospital and medical (Lines 16 minus 17) | | 2,497,897 | 607,750 | 5,000,883 |
| 19. Non-health claims (net) | | | | |
| 20. Claims adjustment expenses, including \$.....(43,111) cost containment expenses | | 40,138 | (33,185) | (349,181) |
| 21. General administrative expenses | | 551,136 | 119,581 | 763,851 |
| 22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) | | | | |
| 23. Total underwriting deductions (Lines 18 through 22) | | 3,089,171 | 694,146 | 5,415,553 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | X X X | 1,209,734 | 17,977 | 1,698,170 |
| 25. Net investment income earned | | 123,721 | 73,754 | 373,643 |
| 26. Net realized capital gains (losses) less capital gains tax of \$.....0 | | | | |
| 27. Net investment gains or (losses) (Lines 25 plus 26) | | 123,721 | 73,754 | 373,643 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] | | | | |
| 29. Aggregate write-ins for other income or expenses | | | | |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) | X X X | 1,333,455 | 91,731 | 2,071,813 |
| 31. Federal and foreign income taxes incurred | X X X | 573,497 | 19,438 | 636,416 |
| 32. Net income (loss) (Lines 30 minus 31) | X X X | 759,958 | 72,293 | 1,435,397 |
| DETAILS OF WRITE-INS | | | | |
| 0601. | X X X | | | |
| 0602. | X X X | | | |
| 0603. | X X X | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | X X X | | | |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | X X X | | | |
| 0701. | X X X | | | |
| 0702. | X X X | | | |
| 0703. | X X X | | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | X X X | | | |
| 0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) | X X X | | | |
| 1401. Miscellaneous Medical Expense | | 3,688 | 20 | 16,876 |
| 1402. Prior Period IBNR Adjustment | | (809,825) | | |
| 1403. | | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | | | | |
| 1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | | (806,137) | 20 | 16,876 |
| 2901. | | | | |
| 2902. | | | | |
| 2903. | | | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | | | | |
| 2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) | | | | |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| | | 1 | 2 | 3 |
|--------------------------------------|--|-------------------------|-----------------------|------------------------------------|
| | | Current Year To Date | Prior Year To Date | Prior Year Ended December 31 |
| CAPITAL & SURPLUS ACCOUNT | | | | |
| 33. | Capital and surplus prior reporting year | 6,828,499 | 5,451,597 | 5,451,597 |
| 34. | Net income or (loss) from Line 32 | 759,958 | 72,293 | 1,435,397 |
| 35. | Change in valuation basis of aggregate policy and claim reserves | | | |
| 36. | Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 | | | |
| 37. | Change in net unrealized foreign exchange capital gain or (loss) | | | |
| 38. | Change in net deferred income tax | | | |
| 39. | Change in nonadmitted assets | 42,357 | | (58,495) |
| 40. | Change in unauthorized reinsurance | | | |
| 41. | Change in treasury stock | | | |
| 42. | Change in surplus notes | | | |
| 43. | Cumulative effect of changes in accounting principles | | | |
| 44. | Capital Changes: | | | |
| 44.1 | Paid in | | | |
| 44.2 | Transferred from surplus (Stock Dividend) | | | |
| 44.3 | Transferred to surplus | | | |
| 45. | Surplus adjustments: | | | |
| 45.1 | Paid in | | | |
| 45.2 | Transferred to capital (Stock Dividend) | | | |
| 45.3 | Transferred from capital | | | |
| 46. | Dividends to stockholders | | | |
| 47. | Aggregate write-ins for gains or (losses) in surplus | | | |
| 48. | Net change in capital and surplus (Lines 34 to 47) | 802,315 | 72,293 | 1,376,902 |
| 49. | Capital and surplus end of reporting period (Line 33 plus 48) | 7,630,814 | 5,523,890 | 6,828,499 |
| DETAILS OF WRITE-INS | | | | |
| 4701. | ..... |  |  |  |
| 4702. | ..... |  |  |  |
| 4703. | ..... |  |  |  |
| 4798. | Summary of remaining write-ins for Line 47 from overflow page | | | |
| 4799. | TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) | | | |

CASH FLOW

| | | 1 Current Year To Date | 2 Prior Year Ended December 31 |
|--|--|---------------------------------|---|
| Cash from Operations | | | |
| 1. | Premiums collected net of reinsurance | 4,903,120 | 6,223,998 |
| 2. | Net investment income | 110,339 | 347,956 |
| 3. | Miscellaneous income | | |
| 4. | Total (Lines 1 to 3) | 5,013,459 | 6,571,954 |
| 5. | Benefit and loss related payments | 2,026,902 | 2,467,321 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | (59,230) | (478,101) |
| 8. | Dividends paid to policyholders | | |
| 9. | Federal and foreign income taxes paid (recovered) net of \$.00 tax on capital gains (losses) | | |
| 10. | Total (Lines 5 through 9) | 1,967,672 | 1,989,220 |
| 11. | Net cash from operations (Line 4 minus Line 10) | 3,045,787 | 4,582,734 |
| Cash from Investments | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| 12.1 | Bonds | | 1,200,000 |
| 12.2 | Stocks | | |
| 12.3 | Mortgage loans | | |
| 12.4 | Real estate | | |
| 12.5 | Other invested assets | | |
| 12.6 | Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| 12.7 | Miscellaneous proceeds | 896,400 | |
| 12.8 | Total investment proceeds (Lines 12.1 to 12.7) | 896,400 | 1,200,000 |
| 13. | Cost of investments acquired (long-term only): | | |
| 13.1 | Bonds | 896,400 | 2,680,233 |
| 13.2 | Stocks | | |
| 13.3 | Mortgage loans | | |
| 13.4 | Real estate | | |
| 13.5 | Other invested assets | | |
| 13.6 | Miscellaneous applications | | |
| 13.7 | Total investments acquired (Lines 13.1 to 13.6) | 896,400 | 2,680,233 |
| 14. | Net increase (or decrease) in contract loans and premium notes | | |
| 15. | Net cash from investments (Line 12.8 minus Lines 13.7 and 14) | | (1,480,233) |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. | Cash provided (applied): | | |
| 16.1 | Surplus notes, capital notes | | |
| 16.2 | Capital and paid in surplus, less treasury stock | | |
| 16.3 | Borrowed funds | | |
| 16.4 | Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 | Dividends to stockholders | | |
| 16.6 | Other cash provided (applied) | | (94,784) |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) | | (94,784) |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | 3,045,787 | 3,007,717 |
| 19. | Cash, cash equivalents and short-term investments: | | |
| 19.1 | Beginning of year | 6,051,645 | 3,043,928 |
| 19.2 | End of period (Line 18 plus Line 19.1) | 9,097,432 | 6,051,645 |

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

| Description | | Amount 1 | Amount 2 |
|-------------|--|-------------|-------------|
| 20.0001 | | | |

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

| | 1 Total | Comprehensive (Hospital & Medical) | | 4 Medicare Supplement | 5 Vision Only | 6 Dental Only | 7 Federal Employees Health Benefit Plan | 8 Title XVIII Medicare | 9 Title XIX Medicaid | 10 Other |
|---|------------|------------------------------------|------------|--------------------------|------------------|------------------|--|---------------------------|-------------------------|-------------|
| | | 2 Individual | 3 Group | | | | | | | |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 945 | | | | | | | 945 | | |
| 2. First Quarter | 2,029 | | | | | | | 2,029 | | |
| 3. Second Quarter | | | | | | | | | | |
| 4. Third Quarter | | | | | | | | | | |
| 5. Current Year | | | | | | | | | | |
| 6. Current Year Member Months | 5,223 | | | | | | | 5,223 | | |
| Total Member Ambulatory Encounters for Period: | | | | | | | | | | |
| 7. Physician | 4,967 | | | | | | | 4,967 | | |
| 8. Non-Physician | 534 | | | | | | | 534 | | |
| 9. Total | 5,501 | | | | | | | 5,501 | | |
| 10. Hospital Patient Days Incurred | 1,247 | | | | | | | 1,247 | | |
| 11. Number of Inpatient Admissions | 135 | | | | | | | 135 | | |
| 12. Health Premiums Written (a) | 4,416,012 | | | | | | | 4,416,012 | | |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | 4,311,876 | | | | | | | 4,311,876 | | |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 2,062,514 | | | | | | | 2,062,514 | (2) | |
| 18. Amount Incurred for Provision of Health Care Services | 2,497,897 | | | | | | | 2,497,897 | | |

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....4,416,012.

STATEMENT AS OF March 31, 2008 OF THE Unison Health Plan of Tennessee, Inc.
CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

| 1 Account | Aging Analysis of Unpaid Claims | | | | | 7 Total |
|--|---------------------------------|-------------------|-------------------|--------------------|--------------------|------------|
| | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 91 - 120 days | 6 Over 120 Days | |
| Individually Listed Claims Unpaid | | | | | | |
| Rx America | 116,442 | | | | | 116,442 |
| 0199999 Individually Listed Claims Unpaid | 116,442 | | | | | 116,442 |
| 0299999 Aggregate Accounts Not Individually Listed - Uncovered | | | | | | |
| 0399999 Aggregate Accounts Not Individually Listed - Covered | 462,394 | 1,018 | | | | 463,412 |
| 0499999 Subtotals | 578,836 | 1,018 | | | | 579,854 |
| 0599999 Unreported claims and other claim reserves | | | | | | 2,697,351 |
| 0699999 Total Amounts Withheld | | | | | | |
| 0799999 Total Claims Unpaid | | | | | | 3,277,205 |
| 0899999 Accrued Medical Incentive Pool And Bonus Amounts | | | | | | |

UNDERWRITING AND INVESTMENT EXHIBIT ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

| Line of Business | Claims Paid Year to Date | | Liability End of Current Quarter | | 5 Claims Incurred in Prior Years (Columns 1-3) | 6 Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year |
|---|---|--|---|--|---|--|
| | 1 On Claims Incurred Prior to January 1 of Current Year | 2 On Claims Incurred During the Year | 3 On Claims Unpaid Dec.31 of Prior Year | 4 On Claims Incurred During the Year | | |
| 1. Comprehensive (hospital & medical) | | | | | | |
| 2. Medicare Supplement | | | | | | |
| 3. Dental only | | | | | | |
| 4. Vision only | | | | | | |
| 5. Federal Employees Health Benefits Plan | | | | | | |
| 6. Title XVIII - Medicare | 807,266 | 1,267,495 | 960,459 | 2,052,474 | 1,767,725 | 2,577,550 |
| 7. Title XIX - Medicaid | (2) | | 264,272 | | 264,270 | 264,270 |
| 8. Other health | | | | | | |
| 9. Health subtotal (Lines 1 to 8) | 807,264 | 1,267,495 | 1,224,731 | 2,052,474 | 2,031,995 | 2,841,820 |
| 10. Healthcare receivables (a) | | 12,247 | | | | |
| 11. Other non-health | | | | | | |
| 12. Medical incentive pools and bonus amounts | | | | | | |
| 13. Totals | 807,264 | 1,255,248 | 1,224,731 | 2,052,474 | 2,031,995 | 2,841,820 |

(a) Excludes \$.00 loans or advances to providers not yet expensed.

Notes to Financial Statement

Unison Health Plan of Tennessee, Inc., (the Company) has noted no significant change since prior year-end for Notes 1 through 17 B., 18 through 20, and 22 through 30 for the quarter ended March 31, 2008. See Note 17 C. and 21 A. below.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities:

C. The Company has no wash sales.

21. Events Subsequent:

A. On January 8, 2008, AmeriChoice, a UnitedHealth Group company, announced it has signed a definitive agreement to acquire Three Rivers Holdings, Inc. and its subsidiaries, including Unison Health Plan of Tennessee, Inc. The transaction is expected to close by mid-2008, subject to required regulatory approvals and customary closing conditions. Related Form A filings were made in late January.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES**GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[] No[] N/A[X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[] No[X]
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1 | 2 | 3 |
|----------------|-------------------|-------------------|
| Name of Entity | NAIC Company Code | State of Domicile |
| | | |

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[] No[X] N/A[]
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.08/12/2005.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.06/30/2005.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).03/24/2006.....
- 6.4 By what department or departments?
Tennessee Department of Commerce and Insurance
- 6.5 Have any financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[] No[] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency (i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)) and identify the affiliate's primary federal regulator.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|----------------|------------------------|--------------|--------------|--------------|--------------|--------------|
| Affiliate Name | Location (City, State) | FRB | OCC | OTS | FDIC | SEC |
| | | Yes[] No[X] | Yes[] No[X] | Yes[] No[X] | Yes[] No[X] | Yes[] No[X] |

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes[X] No[]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
The code of ethics for senior managers was amended in the first quarter of 2008 to include language related to the Medicaid line of business and the District of Columbia Medicaid and Alliance programs. Additions include an enhanced description regarding operation of the Unison Compliance Program, clarification of the terms "vendors" and "subcontractors" as related to their obligations under the plan, and an expansion of the Conflicts of Interest section.
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$..... 0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$..... 0

GENERAL INTERROGATORIES (Continued)

INVESTMENT

13. Amount of real estate and mortgages held in short-term investments:

\$ 0

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes ☐ No ☒

14.2 If yes, please complete the following:

| | 1 Prior Year-End Book/Adjusted Carrying Value | 2 Current Quarter Book/Adjusted Carrying Value |
|--|--|---|
| 14.21 Bonds | | |
| 14.22 Preferred Stock | | |
| 14.23 Common Stock | | |
| 14.24 Short-Term Investments | | |
| 14.25 Mortgages Loans on Real Estate | | |
| 14.26 All Other | | |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | | |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | | |

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes ☐ No ☒15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.Yes ☐ No ☐ N/A ☒

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes ☐ No ☒

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| 1 Name of Custodian(s) | 2 Custodian Address |
|---------------------------|------------------------|
| | |

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

| 1 Name(s) | 2 Location(s) | 3 Complete Explanation(s) |
|--------------|------------------|---|
| | | There are no securities, excluding items in Schedule E, which require a custodial agreement at 03/31/2008 |

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes ☐ No ☒

16.4 If yes, give full and complete information relating thereto:

| 1 Old Custodian | 2 New Custodian | 3 Date of Change | 4 Reason |
|--------------------|--------------------|------------------------|-------------|
| | | | |

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

| 1 Central Registration Depository | 2 Name(s) | 3 Address |
|---|--------------|--------------|
| | | |

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes ☒ No ☐

17.2 If no, list exceptions:

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

| 1 NAIC Company Code | 2 Federal ID Number | 3 Effective Date | 4 Name of Reinsurer | 5 Location | 6 Type of Reinsurance Ceded | 7 Is Insurer Authorized? (Yes or No) |
|---|------------------------------|------------------------|------------------------|----------------|--------------------------------------|---|
| Accident and Health - Non-affiliates | | | | | | |
| 77828 | 57-0523959 | 01/01/2008 | COMPANION LIFE INS CO | Columbia, SC | SSL/LJ | Yes[X] No[] |
| 93440 | 06-1041332 | 01/01/2008 | HM LIFE INS CO | Pittsburgh, PA | SSL/LJ | Yes[X] No[] |
| 93440 | 06-1041332 | 01/01/2008 | HM LIFE INS CO | Pittsburgh, PA | SSL/LJ | Yes[X] No[] |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**Current Year to Date - Allocated by States and Territories**

| State, Etc. | 1 Active Status | Direct Business Only | | | | | | | |
|--|-----------------------|---|------------------------------|----------------------------|--|--|--|--------------------------------------|--------------------------------|
| | | 2 Accident and Health Premiums | 3 Medicare Title XVIII | 4 Medicaid Title XIX | 5 Federal Employees Health Benefits Program Premiums | 6 Life and Annuity Premiums and Other Considerations | 7 Property/ Casualty Premiums | 8 Total Columns 2 Through 7 | 9 Deposit-Type Contracts |
| 1. Alabama (AL) | N | | | | | | | | |
| 2. Alaska (AK) | N | | | | | | | | |
| 3. Arizona (AZ) | N | | | | | | | | |
| 4. Arkansas (AR) | L | | 27,345 | | | | | 27,345 | |
| 5. California (CA) | N | | | | | | | | |
| 6. Colorado (CO) | N | | | | | | | | |
| 7. Connecticut (CT) | N | | | | | | | | |
| 8. Delaware (DE) | N | | | | | | | | |
| 9. District of Columbia (DC) | N | | | | | | | | |
| 10. Florida (FL) | N | | | | | | | | |
| 11. Georgia (GA) | N | | | | | | | | |
| 12. Hawaii (HI) | N | | | | | | | | |
| 13. Idaho (ID) | N | | | | | | | | |
| 14. Illinois (IL) | N | | | | | | | | |
| 15. Indiana (IN) | N | | | | | | | | |
| 16. Iowa (IA) | N | | | | | | | | |
| 17. Kansas (KS) | N | | | | | | | | |
| 18. Kentucky (KY) | N | | | | | | | | |
| 19. Louisiana (LA) | N | | | | | | | | |
| 20. Maine (ME) | N | | | | | | | | |
| 21. Maryland (MD) | N | | | | | | | | |
| 22. Massachusetts (MA) | N | | | | | | | | |
| 23. Michigan (MI) | N | | | | | | | | |
| 24. Minnesota (MN) | N | | | | | | | | |
| 25. Mississippi (MS) | L | | 33,511 | | | | | 33,511 | |
| 26. Missouri (MO) | N | | | | | | | | |
| 27. Montana (MT) | N | | | | | | | | |
| 28. Nebraska (NE) | N | | | | | | | | |
| 29. Nevada (NV) | N | | | | | | | | |
| 30. New Hampshire (NH) | N | | | | | | | | |
| 31. New Jersey (NJ) | N | | | | | | | | |
| 32. New Mexico (NM) | N | | | | | | | | |
| 33. New York (NY) | N | | | | | | | | |
| 34. North Carolina (NC) | N | | | | | | | | |
| 35. North Dakota (ND) | N | | | | | | | | |
| 36. Ohio (OH) | N | | | | | | | | |
| 37. Oklahoma (OK) | N | | | | | | | | |
| 38. Oregon (OR) | N | | | | | | | | |
| 39. Pennsylvania (PA) | N | | | | | | | | |
| 40. Rhode Island (RI) | N | | | | | | | | |
| 41. South Carolina (SC) | N | | | | | | | | |
| 42. South Dakota (SD) | N | | | | | | | | |
| 43. Tennessee (TN) | L | | 4,355,156 | | | | | 4,355,156 | |
| 44. Texas (TX) | N | | | | | | | | |
| 45. Utah (UT) | N | | | | | | | | |
| 46. Vermont (VT) | N | | | | | | | | |
| 47. Virginia (VA) | N | | | | | | | | |
| 48. Washington (WA) | N | | | | | | | | |
| 49. West Virginia (WV) | N | | | | | | | | |
| 50. Wisconsin (WI) | N | | | | | | | | |
| 51. Wyoming (WY) | N | | | | | | | | |
| 52. American Samoa (AS) | N | | | | | | | | |
| 53. Guam (GU) | N | | | | | | | | |
| 54. Puerto Rico (PR) | N | | | | | | | | |
| 55. U.S. Virgin Islands (VI) | N | | | | | | | | |
| 56. Northern Mariana Islands (MP) | N | | | | | | | | |
| 57. Canada (CN) | N | | | | | | | | |
| 58. Aggregate other alien (OT) | XXX | | | | | | | | |
| 59. Subtotal | XXX | | 4,416,012 | | | | | 4,416,012 | |
| 60. Reporting entity contributions for Employee Benefit Plans | XXX | | | | | | | | |
| 61. Total (Direct Business) | (a) 3 | | 4,416,012 | | | | | 4,416,012 | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 5801. | XXX | | | | | | | | |
| 5802. | XXX | | | | | | | | |
| 5803. | XXX | | | | | | | | |
| 5898. Summary of remaining write-ins for Line 58 from overflow page | XXX | | | | | | | | |
| 5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) | XXX | | | | | | | | |

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE A - VERIFICATION**Real Estate**

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisitions | | |
| 2.2 Additional investment made after acquisitions | | |
| 3. Current year change in encumbrances | | |
| 4. Total gain (loss) on disposals | | |
| 5. Deduct amounts received on disposals | | |
| 6. Total foreign exchange change in book/adjusted carrying | | |
| 7. Deduct current year's other than temporary impairment recognized | | |
| 8. Deduct current year's depreciation | | |
| 9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) | | |
| 10. Deduct total nonadmitted amounts | | |
| 11. Statement value at end of current period (Line 9 minus Line 10) | | |

SCHEDULE B - VERIFICATION**Mortgage Loans**

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book value/recorded investment excluding accrued interest, December 31 of prior year | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisitions | | |
| 2.2 Additional investment made after acquisitions | | |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | | |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | | |
| 8. Deduct amortization of premium and mortgage interest po | | |
| 9. Total foreign exchange change in book value/recorded investment excluding accrued interest | | |
| 10. Deduct current year's other than temporary impairment recognized | | |
| 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | | |
| 12. Deduct total nonadmitted amounts | | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | | |

SCHEDULE BA - VERIFICATION**Other Long-Term Invested Assets**

| Description | 1 Year To Date | 2 Prior Year Ended December 31 |
|--|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value, December 31 of prior year | | |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisitions | | |
| 2.2 Additional investment made after acquisitions | | |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | | |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | | |
| 8. Deduct amortization of premium and depreciation | | |
| 9. Total foreign exchange change in book/adjusted carrying value | | |
| 10. Deduct current year's other than temporary impairment recognized | | |
| 11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) | | |
| 12. Deduct total nonadmitted amounts | | |
| 13. Statement value at end of current period (Line 11 minus Line 12) | | |

SCHEDULE D - VERIFICATION**Bonds and Stocks**

| | 1 Year To Date | 2 Prior Year Ended December 31 |
|---|-------------------|--------------------------------------|
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 4,581,890 | 3,096,106 |
| 2. Cost of bonds and stocks acquired | 896,400 | 2,680,233 |
| 3. Accrual of discount | 2,569 | 8,230 |
| 4. Unrealized valuation increase (decrease) | | |
| 5. Total gain (loss) on disposals | | |
| 6. Deduct consideration for bonds and stocks disposed of | | 1,200,000 |
| 7. Deduct amortization of premium | 2,564 | 2,679 |
| 8. Total foreign exchange change in book/adjusted carrying value | | |
| 9. Deduct current year's other than temporary impairment recognized | | |
| 10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) | 5,478,295 | 4,581,890 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 5,478,295 | 4,581,890 |

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|--|---|---|---|--|---|--|--|
| | Book/Adjusted Carrying Value Beginning of Current Quarter | Acquisitions During Current Quarter | Dispositions During Current Quarter | Non-Trading Activity During Current Quarter | Book/Adjusted Carrying Value End of First Quarter | Book/Adjusted Carrying Value End of Second Quarter | Book/Adjusted Carrying Value End of Third Quarter | Book/Adjusted Carrying Value December 31 Prior Year |
| BONDS | | | | | | | | |
| 1. Class 1 (a) | 4,581,890 | 896,400 | | 5 | 5,478,295 | | | 4,581,890 |
| 2. Class 2 (a) | | | | | | | | |
| 3. Class 3 (a) | | | | | | | | |
| 4. Class 4 (a) | | | | | | | | |
| 5. Class 5 (a) | | | | | | | | |
| 6. Class 6 (a) | | | | | | | | |
| 7. Total Bonds | 4,581,890 | 896,400 | | 5 | 5,478,295 | | | 4,581,890 |
| PREFERRED STOCK | | | | | | | | |
| 8. Class 1 | | | | | | | | |
| 9. Class 2 | | | | | | | | |
| 10. Class 3 | | | | | | | | |
| 11. Class 4 | | | | | | | | |
| 12. Class 5 | | | | | | | | |
| 13. Class 6 | | | | | | | | |
| 14. Total Preferred Stock | | | | | | | | |
| 15. Total Bonds & Preferred Stock | 4,581,890 | 896,400 | | 5 | 5,478,295 | | | 4,581,890 |
| Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0 | | | | | | | | |

| | | |
|------|--|------|
| SI03 | Schedule DA Part 1 | NONE |
| SI03 | Schedule DA Verification | NONE |
| SI04 | Schedule DB Part F Section 1 | NONE |
| SI05 | Schedule DB Part F Section 2 | NONE |
| SI06 | Schedule E - Verification (Cash Equivalents) | NONE |
| E01 | Schedule A Part 2 | NONE |
| E01 | Schedule A Part 3 | NONE |
| E02 | Schedule B Part 2 | NONE |
| E02 | Schedule B Part 3 | NONE |
| E03 | Schedule BA Part 2 | NONE |
| E03 | Schedule BA Part 3 | NONE |

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

| 1 CUSIP Identification | 2 Description | 3 Foreign | 4 Date Acquired | 5 Name of Vendor | 6 Number of Shares of Stock | 7 Actual Cost | 8 Par Value | 9 Paid for Accrued Interest and Dividends | 10 NAIC Designation or Market Indicator (a) |
|--|--|--------------|--------------------|-------------------------------|-----------------------------------|------------------|----------------|---|---|
| Bonds - Special Revenue, Special Assessment | | | | | | | | | |
| 586111JU1 | Memphis-Shelby County Tennessee Airport | | 03/26/2008 | FTN Financial Capital Markets | XXX | 896,400 | 900,000.00 | | 1FE |
| 3199999 | Subtotal - Bonds - Special Revenue, Special Assessment | | | | XXX | 896,400 | 900,000.00 | | XXX |
| 6099997 | Subtotal - Bonds - Part 3 | | | | XXX | 896,400 | 900,000.00 | | XXX |
| 6099998 | Summary Item from Part 5 for Bonds (N/A to Quarterly) | | | | XXX | XXX | XXX | XXX | XXX |
| 6099999 | Subtotal - Bonds | | | | XXX | 896,400 | 900,000.00 | | XXX |
| 6599998 | Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly) | | | | XXX | XXX | XXX | XXX | XXX |
| 7299998 | Summary Item from Part 5 for Common Stocks (N/A to Quarterly) | | | | XXX | XXX | XXX | XXX | XXX |
| 7399999 | Subtotal - Preferred and Common Stocks | | | | XXX | XXX | XXX | XXX | XXX |
| 7499999 | Total - Bonds, Preferred and Common Stocks | | | | XXX | 896,400 | XXX | XXX | XXX |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

E05 Schedule D Part 4 NONE

E06 Schedule DB Part A Section 1 NONE

E06 Schedule DB Part B Section 1 NONE

E07 Schedule DB Part C Section 1 NONE

E07 Schedule DB Part D Section 1 NONE

SCHEDULE E - PART 1 - CASH**Month End Depository Balances**

| 1 | | | 2 | 3 | 4 | 5 | Book Balance at End of Each Month During Current Quarter | | | 9 |
|--|----------------|--|-------|------------------|--|--|---|-------------------|------------------|-------|
| Depository | | | Code | Rate of Interest | Amount of Interest Received During Current Quarter | Amount of Interest Accrued at Current Statement Date | 6 First Month | 7 Second Month | 8 Third Month | * |
| open depositories | | | | | | | | | | |
| PNC Bank - Operating Account | Pittsburgh, PA | | | 3.307 | 67,576 | 25,347 | 6,324,663 | 9,586,117 | 8,203,253 | X X X |
| PNC Bank - ASO Account | Pittsburgh, PA | | | 3.194 | 25,212 | | 118,400 | 97,839 | 842,126 | X X X |
| 0199998 Deposits in .....1 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories | | | X X X | X X X | | | 1,878 | 52,053 | 52,053 | X X X |
| 0199999 Totals - Open Depositories | | | X X X | X X X | 92,788 | 25,347 | 6,444,941 | 9,736,009 | 9,097,432 | X X X |
| 0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories | | | X X X | X X X | | | | | | X X X |
| 0299999 Totals - Suspended Depositories | | | X X X | X X X | | | | | | X X X |
| 0399999 Total Cash On Deposit | | | X X X | X X X | 92,788 | 25,347 | 6,444,941 | 9,736,009 | 9,097,432 | X X X |
| 0499999 Cash in Company's Office | | | X X X | X X X | X X X | X X X | | | | X X X |
| 0599999 Total Cash | | | X X X | X X X | 92,788 | 25,347 | 6,444,941 | 9,736,009 | 9,097,432 | X X X |

E09 Schedule E Part 2 Cash Equivalents NONE

Supp1 Medicare Part D Coverage Supplement NONE

STATEMENT AS OF March 31, 2008 FOR Unison Health Plan of Tennessee, Inc.

Exhibit 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

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C&I TENN

| Name of Debtor | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 Over 90 Days | 6 Nonadmitted | 7 Admitted |
|---|------------------|-------------------|-------------------|-------------------|------------------|---------------|
| 0199999 Total Individuals | | | | | | |
| 0299998 Premium due and unpaid not individually listed | | | | | | |
| 0299999 Total group | | | | | | |
| 0399999 Premiums due and unpaid from Medicare entities | 551,182 | | | | | 551,182 |
| 0499999 Premiums due and unpaid from Medicaid entities | | | | | | |
| 0599999 Accident and health premiums due and unpaid (Page 2, Line 13) | 551,182 | | | | | 551,182 |

EXHIBIT 3 - HEALTH CARE RECEIVABLES

| 1 Name of Debtor | | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 Over 90 Days | 6 Nonadmitted | 7 Admitted |
|---|--|------------------|-------------------|-------------------|-------------------|------------------|---------------|
| Pharmaceutical Rebate Receivables | | | | | | | |
| Unison Administrative Services, LLC | | 12,247 | | | 16,138 | 16,138 | 12,247 |
| 0199998 Pharmaceutical Rebate Receivables - Not Individually Listed | | | | | | | |
| 0199999 Subtotal - Pharmaceutical Rebate Receivables | | | | | | | |
| 0299998 Claim Overpayment Receivables - Not Individually Listed | | | | | | | |
| 0299999 Subtotal - Claim Overpayment Receivables | | | | | | | |
| 0399998 Loans and Advances to Providers - Not Individually Listed | | | | | | | |
| 0399999 Subtotal - Loans and Advances to Providers | | | | | | | |
| 0499998 Capitation Arrangements Receivables - Not Individually Listed | | | | | | | |
| 0499999 Subtotal - Capitation Arrangements Receivables | | | | | | | |
| 0599998 Risk Sharing Receivables - Not Individually Listed | | | | | | | |
| 0599999 Subtotal - Risk Sharing Receivables | | | | | | | |
| 0699998 Other Receivables - Not Individually Listed | | 284 | | | | | 284 |
| 0699999 Subtotal - Other Receivables | | | | | | | |
| 0799999 Gross health care receivables | | 12,531 | | | 16,138 | 16,138 | 12,531 |

STATEMENT AS OF **March 31, 2008** FOR **Unison Health Plan of Tennessee, Inc.**

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

| 1 Name of Affiliate | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 Over 90 Days | 6 Nonadmitted | Admitted | |
|---|------------------|-------------------|-------------------|-------------------|------------------|--------------|------------------|
| | | | | | | 7 Current | 8 Non-Current |
| 0299999 Receivables not individually listed | | | | | | | |
| 0399999 Total gross amounts receivable | | | | | | | |

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C&I TENNCARE

Unison Health Plan of Tennessee, Inc.
Reconciliation
MSM Reports to Report 2A
March 31, 2008

| | |
|--|-------------------|
| Medical Expense for at Risk business (as reported on NAIC filings) | - |
| Add Reinsurance Premium for at Risk business | |
| Payments and remaining IBNR per MSM report for 1/2008-3/2008 | 31,494,747 |
| total payments and remaining IBNR for 2008 | <u>31,494,747</u> |
| Medical expenses per TN report 2A | 31,494,747 |
| variance | - |
| | - |
| | 0.00% |

Total payments and IBNR for dates of service in 2007 from December 2007 MSM report

| | |
|--------|-------------------|
| Jan-08 | 12,095,920 |
| Feb-08 | 9,977,177 |
| Mar-08 | 9,421,650 |
| Apr-08 | |
| May-08 | |
| Jun-08 | |
| Jul-08 | |
| Aug-08 | |
| Sep-08 | |
| Oct-08 | |
| Nov-08 | |
| Dec-08 | |
| Total | <u>31,494,747</u> |

Unison Health Plan of Tennessee, Inc.
Reconciliation
NAIC to TN Report 2A
March 31, 2008

Revenue

| | |
|--|--------------------------|
| NAIC | - |
| add back @ risk reinsurance expense | - |
| ASO admin fees received | 2,571,591 |
| ASO Medical services payments per MSM report | 13,877,679 |
| ASO IBNR @ 3/31/08 for DOS in 2008 | 17,617,068 |
| Premium tax | <u>664,493</u> |
| Revenue per TN report 2A | <u><u>34,730,831</u></u> |

Medical Expenses

| | |
|-----------------------------------|--------------------------|
| NAIC | - |
| add @ risk reinsurance expense | - |
| ASO claims payments | 13,877,679 |
| ASO IBNR @ 12/31/07 | <u>17,617,068</u> |
| Medical Expenses per TN report 2A | <u><u>31,494,747</u></u> |

Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES

March 31, 2008

Prepared in accordance with instructions from TDCI

| | Current Quarter | Current Year | Previous Year |
|--|-----------------|--------------|---------------|
| | Total | Total | Total |
| MEMBER MONTHS | 218,543 | 218,543 | 801,183 |
| REVENUES: | | | |
| 1. TennCare Capitation | 34,730,831 | 34,730,831 | 120,663,780 |
| Capitation | - | - | - |
| ASO Administrative fees received | 2,571,591 | 2,571,591 | - |
| ASO Medical expense | 31,494,747 | 31,494,747 | - |
| Premium Tax Expense | 664,493 | 664,493 | - |
| 2. Adverse Selection | - | - | - |
| 3. Total (Lines 1 and 2) | 34,730,831 | 34,730,831 | 120,663,780 |
| 4. Investment | 46,221 | 46,221 | 211,714 |
| 5. Other Revenue (Provide detail) | - | - | - |
| 6. TOTAL (Lines 3 to 5) | 34,777,052 | 34,777,052 | 120,875,494 |
| EXPENSES: | | | |
| Medical and Hospital Services | | | |
| 7. Capitated Physician Services | 202,292 | 202,292 | 732,734 |
| 8. Fee for Service Physician Services | 12,768,746 | 12,768,746 | 39,875,537 |
| 9. Inpatient Hospital Services | 7,430,371 | 7,430,371 | 35,086,767 |
| 10. Outpatient Services | 3,938,148 | 3,938,148 | 13,562,022 |
| 11. Emergency Room Services | 3,006,104 | 3,006,104 | 5,817,219 |
| 12. Mental Health Services | - | - | - |
| 13. Dental Services | - | - | - |
| 14. Vision Services | 125,096 | 125,096 | 496,437 |
| 15. Pharmacy Services | - | - | (325) |
| 16. Home Health Services | 818,102 | 818,102 | 2,647,864 |
| 17. Chiropractic Services | - | - | 1,616 |
| 18. Radiology Services | 1,160,324 | 1,160,324 | 3,634,200 |
| 19. Laboratory Services | 681,682 | 681,682 | 1,858,091 |
| 20. Durable Medical Equipment Services | 577,249 | 577,249 | 2,136,353 |
| 21. Transportation Services | 727,760 | 727,760 | 3,183,857 |
| 22. Outside Referrals | - | - | - |
| 23. Medical Incentive Pool and Withhold Adjustments | - | - | - |
| 24. Occupancy, Depreciation and Amortization | - | - | - |
| 25. Other Medical and Hospital Services (Provide Detail) | 94,662 | 94,662 | 324,895 |
| 27. Subtotal (Lines 7 to 26) | 31,530,536 | 31,530,536 | 109,357,267 |
| LESS: | | | |
| 28. Net Reinsurance Recoveries | - | - | - |
| 29. Copayments | 4,940 | 4,940 | 23,997 |
| 30. Subrogation and Coordination of Benefits | 30,849 | 30,849 | 220,515 |
| Subtotal (Lines 27 to 29) | 35,789 | 35,789 | 244,511 |
| 31. TOTAL MEDICAL AND HOSPITAL (Line 26 less 30) | 31,494,747 | 31,494,747 | 109,112,756 |
| Administration: | | | |
| 32. Compensation | - | - | - |
| 33. Marketing | - | - | - |
| 34. Interest Expense | - | - | - |
| 35. Premium Tax Expense | 664,493 | 664,493 | 2,222,230 |
| 36. Occupancy, Depreciation and Amortization | - | - | - |
| 37. Other Administration (Provide detail) ** | 2,492,350 | 2,492,350 | 8,646,370 |
| 38. TOTAL ADMINISTRATION (Lines 32 to 37) | 3,156,843 | 3,156,843 | 10,868,600 |
| 39. TOTAL EXPENSES (Lines 31 and 38) | 34,651,590 | 34,651,590 | 119,981,356 |
| 40. Extraordinary Item | - | - | - |
| 41. Provision for Income Tax | 53,959 | 53,959 | 274,660 |
| 42. NET INCOME/(LOSS) (Line 6 less Lines 39, 40 and 41) | 71,503 | 71,503 | 619,478 |

| | | | |
|--|-----------|-----------|-----------|
| ** Other Administration Detail | | | |
| Administration Fees * | 2,348,349 | 2,348,349 | 8,510,181 |
| Unpaid Claims Adjustment Expense - Change in Reserve | 152,714 | 152,714 | 185,688 |
| ASO Admin Fees | - | - | - |
| Legal Fees | - | - | - |
| Accounting Fees | 3,232 | 3,232 | 19,605 |
| Consulting | 2,935 | 2,935 | 20,559 |
| Liability Insurance | - | - | - |
| Printing | - | - | - |
| Dues, Fees & Subscriptions | 8 | 8 | 367 |
| Bank Fees | 1,998 | 1,998 | 11,880 |
| State Tax | - | - | - |
| Fines and Penalties | - | - | - |
| Case Mgmt Fees | - | - | - |
| TPL Administrative Fees | (16,886) | (16,886) | (101,910) |
| Misc Expenses | - | - | - |
| Total Other Administration | 2,492,350 | 2,492,350 | 8,646,370 |

* Includes Administrative Fees paid to Affiliates

| | | | |
|----------------------------|--------|--------|---------|
| Other Medical and Hospital | | | |
| Misc Medical Expense | - | - | - |
| Case Management fees | 94,662 | 94,662 | 324,895 |

Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES

March 31, 2008

Prepared in accordance with instructions from TDCI

| | Current Quarter | Current Year | Previous Year |
|--|-----------------|--------------|---------------|
| | Total | Total | Total |
| MEMBER MONTHS | 218,543 | 218,543 | 801,183 |
| REVENUES: | | | |
| 1. TennCare Capitation | 34,730,831 | 34,730,831 | 120,663,780 |
| Capitation | - | - | - |
| ASO Administrative fees received | 2,571,591 | 2,571,591 | - |
| ASO Medical expense | 31,494,747 | 31,494,747 | - |
| Premium Tax Expense | 664,493 | 664,493 | - |
| 2. Adverse Selection | - | - | - |
| 3. Total (Lines 1 and 2) | 34,730,831 | 34,730,831 | 120,663,780 |
| 4. Investment | 46,221 | 46,221 | 211,714 |
| 5. Other Revenue (Provide detail) | - | - | - |
| 6. TOTAL (Lines 3 to 5) | 34,777,052 | 34,777,052 | 120,875,494 |
| EXPENSES: | | | |
| Medical and Hospital Services | | | |
| 7. Capitated Physician Services | 202,292 | 202,292 | 732,734 |
| 8. Fee for Service Physician Services | 12,768,746 | 12,768,746 | 39,875,537 |
| 9. Inpatient Hospital Services | 7,430,371 | 7,430,371 | 35,086,767 |
| 10. Outpatient Services | 3,938,148 | 3,938,148 | 13,562,022 |
| 11. Emergency Room Services | 3,006,104 | 3,006,104 | 5,817,219 |
| 12. Mental Health Services | - | - | - |
| 13. Dental Services | - | - | - |
| 14. Vision Services | 125,096 | 125,096 | 496,437 |
| 15. Pharmacy Services | - | - | (325) |
| 16. Home Health Services | 818,102 | 818,102 | 2,647,864 |
| 17. Chiropractic Services | - | - | 1,616 |
| 18. Radiology Services | 1,160,324 | 1,160,324 | 3,634,200 |
| 19. Laboratory Services | 681,682 | 681,682 | 1,858,091 |
| 20. Durable Medical Equipment Services | 577,249 | 577,249 | 2,136,353 |
| 21. Transportation Services | 727,760 | 727,760 | 3,183,857 |
| 22. Outside Referrals | - | - | - |
| 23. Medical Incentive Pool and Withhold Adjustments | - | - | - |
| 24. Occupancy, Depreciation and Amortization | - | - | - |
| 25. Other Medical and Hospital Services (Provide Detail) | 94,662 | 94,662 | 324,895 |
| 27. Subtotal (Lines 7 to 26) | 31,530,536 | 31,530,536 | 109,357,267 |
| LESS: | | | |
| 28. Net Reinsurance Recoveries | - | - | - |
| 29. Copayments | 4,940 | 4,940 | 23,997 |
| 30. Subrogation and Coordination of Benefits | 30,849 | 30,849 | 220,515 |
| Subtotal (Lines 27 to 29) | 35,789 | 35,789 | 244,511 |
| 31. TOTAL MEDICAL AND HOSPITAL (Line 26 less 30) | 31,494,747 | 31,494,747 | 109,112,756 |
| Administration: | | | |
| 32. Compensation | - | - | - |
| 33. Marketing | - | - | - |
| 34. Interest Expense | - | - | - |
| 35. Premium Tax Expense | 664,493 | 664,493 | 2,222,230 |
| 36. Occupancy, Depreciation and Amortization | - | - | - |
| 37. Other Administration (Provide detail) ** | 2,492,350 | 2,492,350 | 8,646,370 |
| 38. TOTAL ADMINISTRATION (Lines 32 to 37) | 3,156,843 | 3,156,843 | 10,868,600 |
| 39. TOTAL EXPENSES (Lines 31 and 38) | 34,651,590 | 34,651,590 | 119,981,356 |
| 40. Extraordinary Item | - | - | - |
| 41. Provision for Income Tax | 53,959 | 53,959 | 274,660 |
| 42. NET INCOME/(LOSS) (Line 6 less Lines 39, 40 and 41) | 71,503 | 71,503 | 619,478 |

| | | | |
|--|-----------|-----------|-----------|
| ** Other Administration Detail | | | |
| Administration Fees * | 2,348,349 | 2,348,349 | 8,510,181 |
| Unpaid Claims Adjustment Expense - Change in Reserve | 152,714 | 152,714 | 185,688 |
| ASO Admin Fees | - | - | - |
| Legal Fees | - | - | - |
| Accounting Fees | 3,232 | 3,232 | 19,605 |
| Consulting | 2,935 | 2,935 | 20,559 |
| Liability Insurance | - | - | - |
| Printing | - | - | - |
| Dues, Fees & Subscriptions | 8 | 8 | 367 |
| Bank Fees | 1,998 | 1,998 | 11,880 |
| State Tax | - | - | - |
| Fines and Penalties | - | - | - |
| Case Mgmt Fees | - | - | - |
| TPL Administrative Fees | (16,886) | (16,886) | (101,910) |
| Misc Expenses | - | - | - |
| Total Other Administration | 2,492,350 | 2,492,350 | 8,646,370 |

* Includes Administrative Fees paid to Affiliates

| | | | |
|----------------------------|--------|--------|---------|
| Other Medical and Hospital | | | |
| Misc Medical Expense | - | - | - |
| Case Management fees | 94,662 | 94,662 | 324,895 |

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Medical Services Monitoring Report

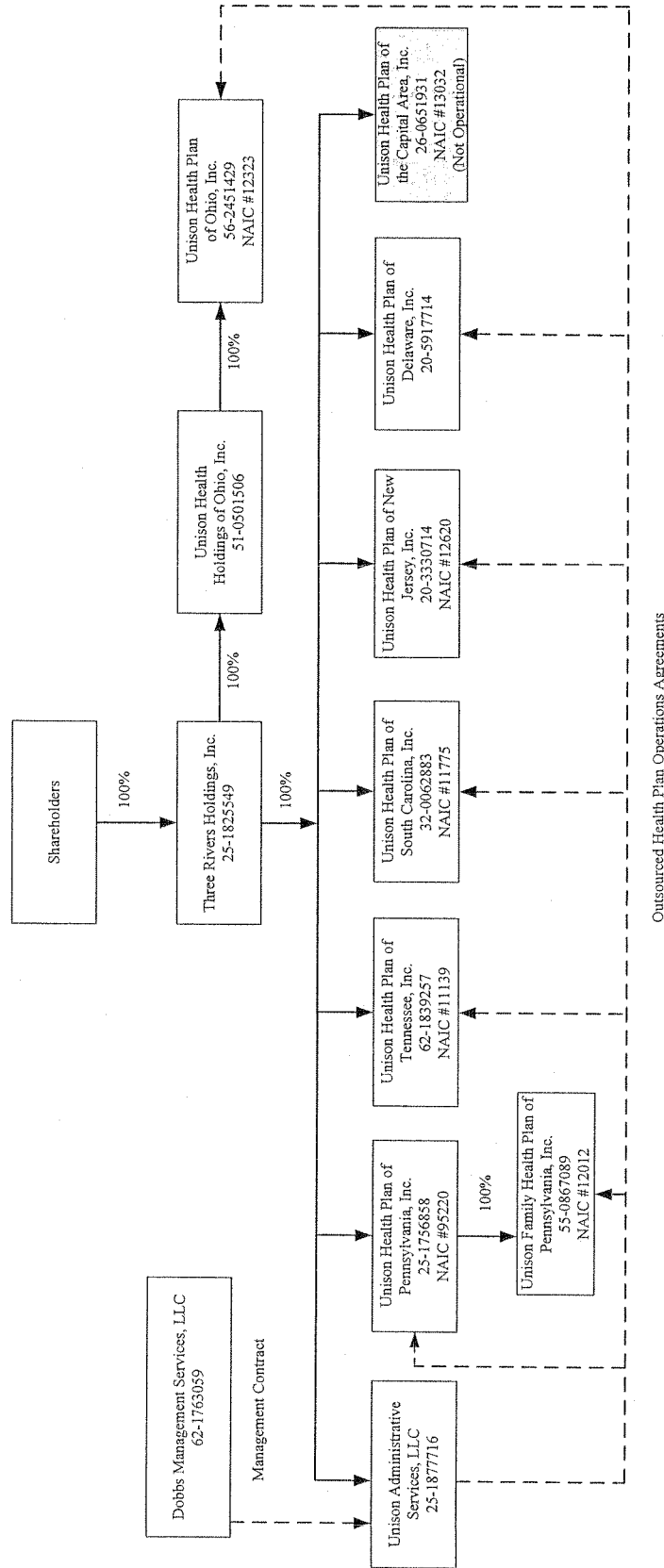
2008 MAY 15 PM 1:31
Grand Region: 31
MCO

Union Health Plan of Tennessee, Inc.
C&I TennCare Reporting Month

| Enrollment | 2007 | | | | | | | | | | | | 2008 | | | For the Year Ended 6/30/2008 | Cumulative Grand Total |
|---|---------------|-----------|-----------|-----------|-----------|-----------|---------------|-----------|-----------|--|--|--|------|------------|-------------|------------------------------|------------------------|
| | Injured Month | | | | | | Injured Month | | | | | | | | | | |
| | July | August | September | October | November | December | January | February | March | | | | | | | | |
| TennCare Medical Fund Target | 6,975,509 | 7,100,012 | 7,217,106 | 7,312,467 | 7,330,938 | 7,352,674 | 7,350,711 | 7,346,110 | 7,277,155 | | | | | 65,262,682 | 397,171,383 | | |
| Payments for Medical Services for the Month | | | | | | | | | | | | | | | | | |
| UB 92 Payments by the Claims Processing System | 4,899,256 | 4,873,114 | 4,687,364 | 5,162,274 | 4,900,681 | 3,837,833 | 4,581,893 | 2,546,291 | 110,452 | | | | | 35,599,159 | 222,501,400 | | |
| HCFA1500 Payments by the Claims Processing System | 3,573,078 | 4,098,831 | 3,423,882 | 3,990,045 | 3,575,183 | 3,063,767 | 3,341,796 | 2,456,673 | 232,567 | | | | | 27,665,822 | 175,017,314 | | |
| Dental Payments by the Claims Processing System | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 | | |
| Capitation Payments | 152,747 | 154,968 | 158,367 | 160,949 | 159,983 | 160,378 | 161,957 | 163,719 | 167,423 | | | | | 1,440,492 | 7,988,413 | | |
| Pharmacy Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 14,574,527 | | |
| Subcontractor Payments for Medical Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | 0 | 0 | | |
| Reinsurance Payment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | 1,426,053 | 0 | | |
| Case Management Fees * | 16,872 | 41,667 | 19,245 | 26,901 | 48,515 | 18,369 | 20,712 | 27,925 | 46,024 | | | | | 266,231 | 1,426,545 | | |
| Other Payments/Adjustments to Medical Costs | 6,326 | 6,662 | 27,508 | 8,470 | 7,354 | 7,847 | 6,739 | 6,739 | 6,767 | | | | | 84,412 | 499,009 | | |
| Less: | | | | | | | | | | | | | | | | | |
| BHO Capitation Revenue | | | | | | | | | | | | | | 0 | 0 | | |
| Pharmacy Rebates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | 531,274 | 0 | | |
| Recoveries not Reflected in Claims Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | 1,281,601 | 0 | | |
| Total Payments for the month | 8,648,279 | 9,175,242 | 8,316,367 | 9,258,639 | 8,691,716 | 7,088,194 | 8,113,097 | 5,201,347 | 563,234 | | | | | 65,056,115 | 421,442,387 | | |
| Remaining IBNR for the month | 1,591,929 | 339,786 | 418,744 | 560,782 | 796,107 | 1,089,179 | 3,982,823 | 4,775,829 | 8,858,416 | | | | | 22,413,595 | 24,081,171 | | |
| Payments and Remaining IBNR for the month | 10,240,208 | 9,515,029 | 8,735,111 | 9,819,421 | 9,487,823 | 8,177,372 | 12,095,920 | 9,977,177 | 9,421,650 | | | | | 87,469,710 | 445,523,558 | | |
| Per Member Expense | 150.41 | 137.11 | 123.60 | 137.17 | 131.55 | 112.74 | 166.64 | 136.89 | 129.81 | | | | | 136.15 | 118.96 | | |
| Per Member Month Exp. For Quarter | | | 136.87 | | | 127.10 | | | 144.44 | | | | | 144.44 | | | |
| Per Member Month Exp. For Quarter in 2008 | | | 136.87 | | | 127.10 | | | 140.67 | | | | | 140.67 | | | |
| Per Member Month Exp. For Quarter in 2007 | | | 135.68 | | | 121.68 | | | 125.71 | | | | | 125.71 | | | |
| Per Member Month Exp. For Quarter in 2006 | | | 110.02 | | | 99.61 | | | 112.50 | | | | | 112.50 | | | |
| Per Member Month Exp. For Quarter in 2005 | | | 106.58 | | | 104.06 | | | 99.71 | | | | | 99.71 | | | |
| Per Member Month Exp. For Quarter in 2004 | | | 105.64 | | | 90.15 | | | 119.36 | | | | | 119.36 | | | |
| Per Member Month Exp. For Quarter in 2003 | | | 105.64 | | | 90.15 | | | 119.36 | | | | | 119.36 | | | |
| Percent Change From 2007 to 2008 | | | 0.00% | | | 0.00% | | | 2.66% | | | | | 2.66% | | | |
| Percent Change From 2006 to 2007 | | | 0.88% | | | 4.45% | | | 11.90% | | | | | 11.90% | | | |
| Percent Change From 2005 to 2006 | | | 23.32% | | | 22.16% | | | 11.74% | | | | | 11.74% | | | |
| Percent Change From 2004 to 2005 | | | 3.24% | | | -4.22% | | | 12.82% | | | | | 12.82% | | | |
| Percent Change From 2003 to 2004 | | | 0.89% | | | 15.37% | | | -16.46% | | | | | -16.46% | | | |
| Medical Services Budget for Quarter | | | 127.29 | | | 127.29 | | | 127.29 | | | | | 127.29 | | | |
| (Over)/Under Budget | | | (9.58) | | | 0.19 | | | (17.15) | | | | | (17.15) | | | |

* Case Management Fees are calculated quarterly. These amounts v

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER **MEMBERS OF A HOLDING COMPANY GROUP** **PART 1 - ORGANIZATIONAL CHART**



Outsourced Health Plan Operations Agreements

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

RESPONSE

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



11139200836500001

2008

Document Code: 365

**Medical Services Monitoring Report
Grand Region**

MCO

Unison Health Plan of Tennessee, Inc.

| Reporting Month | 2006 | | | | | | | | | | | | 2007 | | | | | | | | | | | | For the Year Ended 6/30/2007 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|----------------|-----------|-----------|-----------|-----------|-----------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------------------|
| | Mar-08 | | | | | | Incurred Month | | | | | | Incurred Month | | | | | | | | | | | | |
| Enrollment | July | August | September | October | November | December | January | February | March | April | May | June | July | August | September | October | November | December | January | February | March | April | May | June | |
| | 60,461 | 60,943 | 62,038 | 62,612 | 63,028 | 62,783 | 63,313 | 63,840 | 64,277 | 65,282 | 65,920 | 66,804 | 67,313 | 67,840 | 68,347 | 68,855 | 69,362 | 69,869 | 70,376 | 70,883 | 71,390 | 71,897 | 72,404 | 72,911 | |
| TermCare Medical Fund Target | 6,235,312 | 6,298,056 | 6,398,815 | 6,449,674 | 6,489,828 | 6,443,149 | 6,500,713 | 6,555,078 | 6,604,446 | 6,705,356 | 6,768,976 | 6,855,689 | 6,946,602 | 7,037,513 | 7,128,424 | 7,219,335 | 7,310,246 | 7,401,157 | 7,492,068 | 7,582,979 | 7,673,890 | 7,764,801 | 7,855,712 | 7,946,623 | |
| Payments for Medical Services for the Month | | | | | | | | | | | | | | | | | | | | | | | | | |
| UB 92 Payments by the Claims Processing System | 5,046,235 | 4,765,952 | 4,479,151 | 3,810,077 | 4,907,834 | 3,876,656 | 6,528,665 | 4,995,280 | 4,421,210 | 4,603,415 | 5,044,080 | 5,041,087 | 5,038,094 | 5,035,101 | 5,032,108 | 5,029,115 | 5,026,122 | 5,023,129 | 5,020,136 | 5,017,143 | 5,014,150 | 5,011,157 | 5,008,164 | 5,005,171 | |
| HCFA1500 Payments by the Claims Processing System | 2,833,362 | 3,487,896 | 3,202,212 | 3,240,176 | 3,140,125 | 3,052,193 | 3,473,165 | 3,201,383 | 3,445,034 | 3,373,430 | 3,630,224 | 3,402,793 | 3,370,362 | 3,337,931 | 3,305,500 | 3,273,069 | 3,240,638 | 3,208,207 | 3,175,776 | 3,143,345 | 3,110,914 | 3,078,483 | 3,046,052 | 3,013,621 | |
| Dental Payments by the Claims Processing System | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Capitation Payments | 129,561 | 134,504 | 135,653 | 137,479 | 138,864 | 137,685 | 139,829 | 141,430 | 141,525 | 144,458 | 145,946 | 148,046 | 149,141 | 150,236 | 151,331 | 152,426 | 153,521 | 154,616 | 155,711 | 156,806 | 157,901 | 159,000 | 160,099 | 161,198 | |
| Pharmacy Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Subcontractor Payments for Medical Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Reinsurance Payment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Case Management Fees * | 13,602 | 36,348 | 19,730 | 16,684 | 36,192 | 17,729 | 18,513 | 18,958 | 49,014 | 17,588 | 29,708 | 19,545 | 29,521 | 29,497 | 29,473 | 29,449 | 29,425 | 29,401 | 29,377 | 29,353 | 29,329 | 29,305 | 29,281 | 29,257 | |
| Other Payments/Adjustments to Medical Costs | 7,244 | 7,348 | 8,620 | 9,471 | 6,150 | 6,830 | 6,230 | 6,171 | 10,898 | 6,355 | 6,971 | 6,559 | 6,535 | 6,511 | 6,487 | 6,463 | 6,439 | 6,415 | 6,391 | 6,367 | 6,343 | 6,319 | 6,295 | 6,271 | |
| Less: | | | | | | | | | | | | | | | | | | | | | | | | | |
| BHD Capitation Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Pharmacy Rebates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Recoveries not Reflected in Claims Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Payments for the month | 8,030,024 | 8,432,048 | 7,845,366 | 7,213,887 | 8,229,165 | 7,091,104 | 10,166,402 | 8,363,223 | 8,067,682 | 8,145,246 | 8,856,930 | 8,618,030 | 8,590,935 | 8,563,840 | 8,536,745 | 8,509,650 | 8,482,555 | 8,455,460 | 8,428,365 | 8,401,270 | 8,374,175 | 8,347,080 | 8,319,985 | 8,292,890 | |
| Remaining IBNR for the month | 504,526 | 20,937 | 56,613 | 35,242 | 324,859 | 33,826 | 201,007 | 74,267 | 56,192 | 102,506 | 112,298 | 120,031 | 122,766 | 125,501 | 128,236 | 130,971 | 133,706 | 136,441 | 139,176 | 141,911 | 144,646 | 147,381 | 150,116 | 152,851 | |
| Payments and Remaining IBNR for the month | 8,534,549 | 8,452,986 | 7,901,979 | 7,249,129 | 8,554,024 | 7,124,930 | 10,367,409 | 8,437,489 | 8,123,874 | 8,247,752 | 8,969,228 | 8,738,061 | 8,713,901 | 8,689,736 | 8,665,575 | 8,641,416 | 8,617,257 | 8,593,098 | 8,568,939 | 8,544,780 | 8,520,621 | 8,496,462 | 8,472,303 | 8,448,144 | |
| Per Member Expense | 141.16 | 138.70 | 127.37 | 115.78 | 135.72 | 113.49 | 163.75 | 132.17 | 126.39 | 126.34 | 136.06 | 130.80 | 130.80 | 130.80 | 130.80 | 130.80 | 130.80 | 130.80 | 130.80 | 130.80 | 130.80 | 130.80 | 130.80 | 130.80 | |
| Per Member Month Exp. For Quarter | | | 135.68 | | | 121.68 | | | 140.67 | | | 131.08 | | | | | | | | | | | | | |
| Per Member Month Exp. For Quarter in 2008 | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | | | | | | | | | | | | | |
| Per Member Month Exp. For Quarter in 2007 | | | 0.00 | | | 121.68 | | | 140.67 | | | 131.08 | | | | | | | | | | | | | |
| Per Member Month Exp. For Quarter in 2006 | | | 135.68 | | | 121.68 | | | 125.71 | | | 116.64 | | | | | | | | | | | | | |
| Per Member Month Exp. For Quarter in 2005 | | | 110.02 | | | 99.61 | | | 112.50 | | | 116.11 | | | | | | | | | | | | | |
| Per Member Month Exp. For Quarter in 2004 | | | 106.58 | | | 104.00 | | | 99.71 | | | 98.32 | | | | | | | | | | | | | |
| Per Member Month Exp. For Quarter in 2003 | | | 105.64 | | | 90.15 | | | 119.36 | | | 121.49 | | | | | | | | | | | | | |
| Percent Change From 2007 to 2008 | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | | | | | | | | | | | | | |
| Percent Change From 2006 to 2007 | | | 0.00% | | | 0.00% | | | 11.90% | | | 12.38% | | | | | | | | | | | | | |
| Percent Change From 2005 to 2006 | | | 23.32% | | | 22.16% | | | 11.74% | | | 0.46% | | | | | | | | | | | | | |
| Percent Change From 2004 to 2005 | | | 3.24% | | | -4.22% | | | 12.82% | | | 18.09% | | | | | | | | | | | | | |
| Percent Change From 2003 to 2004 | | | 0.89% | | | 15.37% | | | -16.46% | | | -19.07% | | | | | | | | | | | | | |
| Medical Services Budget for Quarter | | | 127.29 | | | 127.29 | | | 127.29 | | | 127.29 | | | | | | | | | | | | | |
| (Over)/Under Budget | | | (8.39) | | | 5.61 | | | (13.38) | | | (3.79) | | | | | | | | | | | | | |

* Case Management Fees are calculated quarterly. These amounts vary.

Medical Services Monitoring Report
Grand Region

MCO

Unison Health Plan of Tennessee, Inc.

| Reporting Month | 2005 | | | | | | | | | | | | 2006 | | For the Year Ended 6/30/2006 |
|---|----------------|-----------|-----------|-----------|-----------|-----------|----------------|-----------|-----------|-----------|-----------|-----------|------------|--|------------------------------|
| | Incurred Month | | | | | | Incurred Month | | | | | | | | |
| Mar-05 | July | August | September | October | November | December | January | February | March | April | May | June | 6/30/2006 | | |
| Enrollment | 52,416 | 52,185 | 52,190 | 55,390 | 54,571 | 54,621 | 55,520 | 55,427 | 56,158 | 57,003 | 57,492 | 58,235 | 661,208 | | |
| TenureCare Medical Fund Target | 5,708,701 | 5,536,883 | 5,343,754 | 5,620,904 | 5,513,124 | 5,523,479 | 5,603,896 | 5,651,851 | 5,749,426 | 5,837,750 | 5,919,398 | 6,011,763 | 68,020,928 | | |
| Payments for Medical Services for the Month | | | | | | | | | | | | | | | |
| UB 92 Payments by the Claims Processing System | 3,181,136 | 3,296,232 | 3,113,497 | 3,177,195 | 2,720,713 | 3,076,081 | 3,326,267 | 3,460,147 | 4,145,284 | 3,689,307 | 4,424,042 | 3,202,778 | 42,812,680 | | |
| HCCA1500 Payments by the Claims Processing System | 2,444,162 | 2,634,155 | 2,219,762 | 2,352,025 | 2,322,012 | 2,325,088 | 2,545,474 | 2,376,459 | 2,748,898 | 2,537,202 | 3,011,978 | 2,820,529 | 30,337,744 | | |
| Denial Payments by the Claims Processing System | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Capitation Payments | 97,301 | 100,217 | 104,577 | 114,418 | 118,564 | 118,152 | 116,338 | 116,619 | 119,362 | 121,951 | 123,939 | 124,112 | 1,375,550 | | |
| Pharmacy Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Subcontractor Payments for Medical Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Reinsurance Payment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Case Management Fees * | 10,425 | 13,868 | 16,986 | 13,623 | 20,296 | 13,956 | 6,333 | 8,338 | 17,342 | 12,036 | 20,612 | 13,579 | 167,395 | | |
| Other Payments/Adjustments to Medical Costs | 6,383 | 6,000 | 6,023 | 9,003 | 7,017 | 6,024 | 6,050 | 6,666 | 6,638 | 6,902 | 7,154 | 6,591 | 80,451 | | |
| Less: | | | | | | | | | | | | | | | |
| BHO Capitation Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Pharmacy Rebates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Recoveries not Reflected in Claims Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Total Payments for the month | 5,739,406 | 6,050,473 | 5,460,845 | 5,666,265 | 5,188,603 | 5,539,301 | 8,000,461 | 5,968,229 | 7,037,525 | 6,367,398 | 7,587,724 | 6,167,590 | 74,773,819 | | |
| Remaining IBNR for the month | 0 | (1) | (9) | (1) | 0 | (9) | (9) | (9) | (9) | 3,693 | 4,428 | 17,153 | 25,273 | | |
| Payments and Remaining IBNR for the month | 5,739,406 | 6,050,472 | 5,460,845 | 5,666,264 | 5,188,603 | 5,539,301 | 8,000,461 | 5,968,228 | 7,037,525 | 6,371,090 | 7,592,153 | 6,184,743 | 74,799,092 | | |
| Per Member Expense | 109.50 | 115.94 | 104.63 | 102.30 | 95.08 | 101.41 | 144.10 | 107.68 | 125.32 | 111.77 | 132.06 | 106.20 | 113.12 | | |
| Per Member Month Exp For Quarter in 2008 | | | 110.02 | | | 99.61 | | | 125.71 | | | 116.64 | | | |
| Per Member Month Exp For Quarter in 2007 | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | | | |
| Per Member Month Exp For Quarter in 2006 | | | 0.00 | | | 0.00 | | | 125.71 | | | 116.64 | | | |
| Per Member Month Exp For Quarter in 2005 | | | 110.02 | | | 99.61 | | | 112.50 | | | 116.11 | | | |
| Per Member Month Exp For Quarter in 2004 | | | 106.58 | | | 104.00 | | | 99.71 | | | 98.32 | | | |
| Per Member Month Exp For Quarter in 2003 | | | 105.64 | | | 90.15 | | | 119.36 | | | 121.49 | | | |
| Percent Change From 2007 to 2008 | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | | | |
| Percent Change From 2006 to 2007 | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | | | |
| Percent Change From 2005 to 2006 | | | 0.00% | | | 0.00% | | | 11.74% | | | 0.46% | | | |
| Percent Change From 2004 to 2005 | | | 3.24% | | | -4.22% | | | 12.82% | | | 18.09% | | | |
| Percent Change From 2003 to 2004 | | | 0.89% | | | 15.37% | | | -16.46% | | | -19.07% | | | |
| Medical Services Budget for Quarter | | | 105.15 | | | 121.92 | | | 128.08 | | | 141.07 | | | |
| Over)/Under Budget | | | (4.87) | | | 22.31 | | | 2.37 | | | 24.43 | | | |

* Case Management Fees are calculated quarterly. These amounts v

Medical Services Monitoring Report
Grand Region

MCO

Unison Health Plan of Tennessee, Inc.

| Reporting Month | 2004 | | | | | | | | | | | | 2005 | | | | | | For the Year Ended 6/30/2005 |
|---|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------|--|--|--|--|--|------------------------------------|
| | Incurred Month | | | | | | | | | | | | Incurred Month | | | | | | |
| Mar-08 | July | August | September | October | November | December | January | February | March | April | May | June | | | | | | | |
| Enrollment | 46,867 | 47,479 | 48,104 | 49,054 | 49,016 | 49,233 | 49,600 | 49,920 | 50,105 | 50,659 | 51,215 | 51,684 | 592,936 | | | | | | |
| TenureCare Medical Fund Target | 5,169,291 | 5,255,787 | 5,325,065 | 5,426,207 | 5,455,596 | 5,489,620 | 5,552,253 | 5,583,363 | 5,576,291 | 5,642,243 | 5,691,243 | 5,741,383 | 65,908,341 | | | | | | |
| Payments for Medical Services for the Month | | | | | | | | | | | | | | | | | | | |
| UB 92 Payments by the Claims Processing System | 2,294,136 | 2,812,756 | 2,811,485 | 3,034,135 | 2,554,806 | 2,758,886 | 3,273,912 | 3,089,153 | 2,997,163 | 3,612,086 | 3,019,007 | 3,517,422 | 35,774,947 | | | | | | |
| HCEA1500 Payments by the Claims Processing System | 2,164,147 | 2,345,876 | 2,349,424 | 2,304,212 | 2,256,576 | 2,234,999 | 2,371,744 | 2,303,435 | 2,439,184 | 2,409,603 | 2,475,963 | 2,453,985 | 28,109,148 | | | | | | |
| Dental Payments by the Claims Processing System | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | |
| Pharmacy Payments | 78,746 | 80,109 | 81,041 | 83,460 | 86,595 | 86,676 | 87,434 | 89,027 | 90,734 | 92,481 | 94,667 | 96,166 | 1,047,137 | | | | | | |
| Subcontractor Payments for Medical Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | |
| Reinsurance Payment | 44,497 | 44,887 | 46,061 | 47,784 | 48,553 | 48,084 | 48,802 | 48,792 | 48,962 | 49,380 | 50,539 | 51,883 | 578,224 | | | | | | |
| Case Management Fees * | 9,706 | 21,373 | 10,367 | 14,001 | 23,431 | 8,557 | 10,423 | 18,106 | 21,222 | 11,033 | 24,802 | 15,107 | 187,929 | | | | | | |
| Other Payments/Adjustments to Medical Costs | 8,718 | 6,050 | 6,094 | 6,298 | 6,238 | 6,631 | 6,789 | 6,395 | 6,296 | 6,394 | 6,566 | 9,649 | 82,508 | | | | | | |
| Less: | | | | | | | | | | | | | | | | | | | |
| BHO Capitation Revenue | | | | | | | | | | | | | 0 | | | | | | |
| Pharmacy Rebates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | |
| Recoveries not Reflected in Claims Payments | 0 | 0 | 33,732 | 92,633 | 97,127 | 100,564 | 42,884 | 38,734 | 42,884 | 41,501 | 71,898 | 53,650 | 615,407 | | | | | | |
| Total Payments for the month | 4,599,950 | 5,311,050 | 5,270,741 | 5,397,256 | 4,879,071 | 5,043,270 | 5,756,221 | 5,516,174 | 5,560,677 | 6,139,475 | 5,600,037 | 6,090,563 | 65,164,486 | | | | | | |
| Remaining IBNR for the month | (0) | 1 | (1) | (0) | 1 | (0) | (0) | 0 | 0 | (0) | (1) | 0 | (0) | | | | | | |
| Payments and Remaining IBNR for the month | 4,599,950 | 5,311,051 | 5,270,740 | 5,397,256 | 4,879,072 | 5,043,270 | 5,756,221 | 5,516,174 | 5,560,677 | 6,139,475 | 5,600,036 | 6,090,563 | 65,164,486 | | | | | | |
| Per Member Expense | 98.15 | 111.86 | 109.57 | 110.03 | 99.54 | 102.44 | 116.05 | 110.50 | 110.98 | 121.19 | 109.34 | 117.84 | 109.90 | | | | | | |
| Per Member Month Exp. For Quarter | | | 106.58 | | | 104.00 | | | | | | 116.11 | | | | | | | |
| Per Member Month Exp. For Quarter in 2008 | | | 0.00 | | | 0.00 | | | | | | 0.00 | | | | | | | |
| Per Member Month Exp. For Quarter in 2007 | | | 0.00 | | | 0.00 | | | | | | 0.00 | | | | | | | |
| Per Member Month Exp. For Quarter in 2006 | | | 0.00 | | | 0.00 | | | | | | 116.11 | | | | | | | |
| Per Member Month Exp. For Quarter in 2005 | | | 106.58 | | | 104.00 | | | | | | 98.32 | | | | | | | |
| Per Member Month Exp. For Quarter in 2004 | | | 105.64 | | | 90.15 | | | | | | 121.49 | | | | | | | |
| Per Member Month Exp. For Quarter in 2003 | | | 105.64 | | | 90.15 | | | | | | 121.49 | | | | | | | |
| Percent Change From 2007 to 2008 | | | 0.00% | | | 0.00% | | | | | | 0.00% | | | | | | | |
| Percent Change From 2006 to 2007 | | | 0.00% | | | 0.00% | | | | | | 0.00% | | | | | | | |
| Percent Change From 2005 to 2006 | | | 0.00% | | | 0.00% | | | | | | 0.00% | | | | | | | |
| Percent Change From 2004 to 2005 | | | 0.89% | | | 0.00% | | | | | | 18.09% | | | | | | | |
| Percent Change From 2003 to 2004 | | | 0.89% | | | 0.00% | | | | | | -19.07% | | | | | | | |
| Medical Services Budget for Quarter | | | 0.00 | | | 0.00 | | | | | | 0.00 | | | | | | | |
| Over/Under Budget | | | 0.00 | | | 0.00 | | | | | | 0.00 | | | | | | | |

* Case Management Fees are calculated quarterly. These amounts x

Medical Services Monitoring Report
Grand Region

MCO

| Unison Health Plan of Tennessee, Inc. | | | | | | | | | | | | | For the Year Ended 6/30/2004 |
|--|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------------|
| Reporting Month | 2003 | | | | | | | | | | | | For the Year Ended 6/30/2004 |
| | Incurred Month | | | | | | | | | | | | |
| Mar-08 | July | August | September | October | November | December | January | February | March | April | May | June | |
| Enrollment | 44,526 | 44,900 | 45,269 | 45,583 | 45,869 | 45,892 | 46,029 | 46,187 | 46,478 | 46,586 | 46,648 | 46,759 | 550,726 |
| TeamCare Medical Fund Target | 4,833,010 | 4,875,463 | 4,894,248 | 4,939,736 | 4,981,542 | 4,968,980 | 5,010,947 | 5,048,189 | 5,110,362 | 5,107,905 | 5,134,825 | 5,162,133 | 60,067,342 |
| Payments for Medical Services for the Month | | | | | | | | | | | | | |
| UB 92 Payments by the Claims Processing System | 2,230,017 | 2,324,696 | 2,838,658 | 2,006,269 | 1,911,909 | 1,968,906 | 2,591,437 | 2,429,149 | 1,983,487 | 2,203,053 | 2,134,748 | 2,534,453 | 27,156,780 |
| HCFIA1500 Payments by the Claims Processing System | 2,100,950 | 2,170,746 | 2,251,251 | 2,255,408 | 1,965,024 | 2,223,954 | 2,131,012 | 2,108,653 | 2,323,583 | 2,137,055 | 2,118,320 | 2,255,843 | 26,041,778 |
| Dental Payments by the Claims Processing System | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capitalization Payments | 73,548 | 73,803 | 75,284 | 76,202 | 77,538 | 77,056 | 77,646 | 77,787 | 78,402 | 78,317 | 77,917 | 78,681 | 922,180 |
| Pharmacy Payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subcontractor Payments for Medical Services | | | | | | | | | | | | | |
| Reinsurance Payment | 32,953 | 33,753 | 34,295 | 34,187 | 35,024 | 34,633 | 34,670 | 35,009 | 35,140 | 35,088 | 35,397 | 35,181 | 415,329 |
| Case Management Fees * | 9,496 | 20,061 | 9,696 | 12,449 | 17,425 | 10,452 | 9,220 | 9,342 | 21,003 | 12,430 | 21,465 | 10,987 | 164,026 |
| Other Payments/Adjustments to Medical Costs | 6,653 | 8,262 | 8,206 | 7,170 | 6,059 | 6,706 | 6,473 | 6,283 | 6,005 | 6,240 | 6,824 | 6,550 | 81,411 |
| Less: | | | | | | | | | | | | | |
| BHO Capitalization Revenue | | | | | | | | | | | | | 0 |
| Pharmacy Reflates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Recoveries not Reflected in Claims Payments | 0 | 5,575 | 68,020 | 70,287 | 130,135 | 144,880 | 62,348 | 29,930 | 42,313 | 23,747 | 0 | 0 | 577,234 |
| Total Payments for the month | 4,453,596 | 4,625,745 | 5,149,570 | 4,321,397 | 3,882,844 | 4,176,827 | 4,788,111 | 4,656,273 | 4,405,507 | 4,448,436 | 4,394,670 | 4,921,694 | 54,204,270 |
| Remaining IBNR for the month | (0) | 0 | (0) | 0 | 0 | (0) | 0 | 0 | 0 | (0) | 0 | 0 | (0) |
| Payments and Remaining IBNR for the month | 4,453,596 | 4,625,745 | 5,149,570 | 4,321,397 | 3,882,844 | 4,176,827 | 4,788,111 | 4,656,273 | 4,405,507 | 4,448,436 | 4,394,671 | 4,921,694 | 54,204,270 |
| Per Member Expense | 100.02 | 103.02 | 113.75 | 94.80 | 84.65 | 91.01 | 104.02 | 100.38 | 94.78 | 95.49 | 94.21 | 105.26 | 98.42 |
| Per Member Month Exp. For Quarter | | | 105.64 | | | 90.15 | | | 99.71 | | | 98.32 | |
| Per Member Month Exp. For Quarter in 2008 | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | |
| Per Member Month Exp. For Quarter in 2007 | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | |
| Per Member Month Exp. For Quarter in 2006 | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | |
| Per Member Month Exp. For Quarter in 2005 | | | 0.00 | | | 0.00 | | | 99.71 | | | 98.32 | |
| Per Member Month Exp. For Quarter in 2004 | | | 105.64 | | | 90.15 | | | 119.36 | | | 121.49 | |
| Per Member Month Exp. For Quarter in 2003 | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | |
| Percent Change From 2007 to 2008 | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | |
| Percent Change From 2006 to 2007 | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | |
| Percent Change From 2005 to 2006 | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | |
| Percent Change From 2004 to 2005 | | | 0.00% | | | 0.00% | | | -16.46% | | | -19.07% | |
| Percent Change From 2003 to 2004 | | | 0.00% | | | 0.00% | | | 0.00 | | | 0.00 | |
| Medical Services Budget for Quarter | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | |
| (Over)/Under Budget | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | |

* Case Management Fees are calculated quarterly. These amounts *

Medical Services Monitoring Report
Grand Region

MCO

Union Health Plan of Tennessee, Inc.

| Reporting Month | 2002 | | | | | | | | | | | | 2003 | | | | | | | | | | | | For the Year Ended 6/30/2003 |
|--|----------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------------|-----------|------------|--|--|--|--|--|--|--|--|--|------------------------------------|
| | Incurred Month | | | | | | | | | | | | Incurred Month | | | | | | | | | | | | |
| | Mar-08 | Pr. To 7/02 | July | August | September | October | November | December | January | February | March | April | May | June | | | | | | | | | | | |
| rollment | | | 43,330 | 46,146 | 44,777 | 46,196 | 45,065 | 43,867 | 44,178 | 44,479 | 44,370 | 43,848 | 44,138 | 44,164 | 536,538 | | | | | | | | | | |
| anCare Medical Fund Target | | | 5,257,183 | 5,331,621 | 5,118,410 | 5,144,746 | 4,992,170 | 4,824,908 | 4,839,536 | 4,870,689 | 4,853,177 | 4,774,421 | 4,798,214 | 4,792,924 | 59,597,999 | | | | | | | | | | |
| Payments for Medical Services for the Month | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 92 Payments by the Claims Processing System | | 42,090 | 2,051,605 | 1,686,242 | 2,157,020 | 2,002,271 | 1,911,439 | 1,656,562 | 2,053,296 | 1,811,510 | 2,090,064 | 1,949,913 | 1,880,622 | 2,365,537 | 23,638,171 | | | | | | | | | | |
| FAI500 Payments by the Claims Processing System | | 10,263 | 1,869,778 | 1,966,575 | 1,919,700 | 2,065,559 | 1,816,659 | 1,844,035 | 1,986,942 | 1,836,171 | 2,099,946 | 2,007,458 | 1,964,484 | 1,993,259 | 23,580,828 | | | | | | | | | | |
| Initial Payments by the Claims Processing System | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | |
| Application Payments | | 9 | 285,512 | 290,969 | 290,625 | 76,028 | 74,396 | 72,314 | 73,500 | 72,508 | 73,107 | 71,561 | 70,660 | 76,883 | 1,528,073 | | | | | | | | | | |
| armacy Payments | | 3,668 | 1,152,506 | 1,140,962 | 1,144,356 | 1,238,303 | 1,169,655 | 1,247,494 | 1,299,604 | 1,213,844 | 1,303,109 | 1,238,676 | 1,211,905 | 1,190,444 | 14,574,527 | | | | | | | | | | |
| Contractor Payments for Medical Services | | | | | | | | | | | | | | 0 | | | | | | | | | | | |
| Insurance Payment | | 0 | 36,512 | 37,039 | 36,976 | 36,725 | 36,295 | 33,390 | 34,254 | 36,046 | 36,214 | 34,968 | 35,750 | 36,332 | 432,500 | | | | | | | | | | |
| Management Fees * | | 0 | 11,383 | 18,714 | 11,763 | 11,697 | 23,296 | 8,592 | 9,587 | 9,535 | 20,523 | 9,279 | 22,199 | 12,774 | 169,344 | | | | | | | | | | |
| Net Payments/Adjustments to Medical Costs | | 1,193 | 6,000 | 6,064 | 6,122 | 6,812 | 6,443 | 6,132 | 7,716 | 6,429 | 5,924 | 6,199 | 7,675 | 8,672 | 81,380 | | | | | | | | | | |
| SS: | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 Capitation Revenue | | | | | | | | | | | | | | | 0 | | | | | | | | | | |
| armacy Rebates | | 0 | 42,396 | 43,157 | 43,157 | 46,309 | 45,174 | 43,974 | 43,692 | 43,990 | 43,882 | 44,974 | 45,271 | 45,298 | 531,274 | | | | | | | | | | |
| Revenues not Reflected in Claims Payments | | 0 | 0 | 0 | 0 | 0 | 0 | 14,065 | 28,131 | 28,131 | 14,065 | 4,568 | 0 | 0 | 88,960 | | | | | | | | | | |
| Total Payments for the month | | 57,223 | 5,370,900 | 5,103,409 | 5,523,406 | 5,411,085 | 4,993,008 | 4,792,480 | 5,393,077 | 4,913,922 | 5,570,940 | 5,268,512 | 5,148,024 | 5,638,604 | 63,184,590 | | | | | | | | | | |
| Remaining IBNR for the month | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (0) | 0 | | | | | | | | | | |
| Payments and Remaining IBNR for the month | | 57,223 | 5,370,900 | 5,103,409 | 5,523,406 | 5,411,085 | 4,993,008 | 4,792,480 | 5,393,077 | 4,913,922 | 5,570,940 | 5,268,512 | 5,148,024 | 5,638,604 | 63,184,590 | | | | | | | | | | |
| 1 Member Expense | | 0.00 | 118.48 | 110.59 | 123.35 | 117.13 | 110.80 | 109.25 | 122.08 | 110.48 | 125.36 | 120.15 | 116.63 | 127.67 | 117.76 | | | | | | | | | | |
| 1 Member Month Exp. For Quarter in 2007 | | | | | 117.41 | | | 112.46 | | | 119.36 | | | 121.49 | | | | | | | | | | | |
| 1 Member Month Exp. For Quarter in 2008 | | | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | | | | | | | | | | | |
| 1 Member Month Exp. For Quarter in 2007 | | | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | | | | | | | | | | | |
| 1 Member Month Exp. For Quarter in 2006 | | | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | | | | | | | | | | | |
| 1 Member Month Exp. For Quarter in 2005 | | | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | | | | | | | | | | | |
| 1 Member Month Exp. For Quarter in 2004 | | | | | 0.00 | | | 0.00 | | | 119.36 | | | 121.49 | | | | | | | | | | | |
| 1 Member Month Exp. For Quarter in 2003 | | | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | | | | | | | | | | | |
| Recent Change From 2007 to 2008 | | | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | | | | | | | | | | | |
| Recent Change From 2006 to 2007 | | | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | | | | | | | | | | | |
| Recent Change From 2005 to 2006 | | | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | | | | | | | | | | | |
| Recent Change From 2004 to 2005 | | | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | | | | | | | | | | | |
| Recent Change From 2003 to 2004 | | | | | 0.00% | | | 0.00% | | | 0.00% | | | 0.00% | | | | | | | | | | | |
| Medical Services Budget for Quarter | | | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | | | | | | | | | | | |
| Net/Under Budget | | | | | 0.00 | | | 0.00 | | | 0.00 | | | 0.00 | | | | | | | | | | | |

Base Management Fees are calculated quarterly. These amounts will be updated quarterly.